



2019 | Case Study

How Shipware Optimized Peak Design's Third Party Warehousing & Fulfillment Spend to Deliver \$300k in Savings

"We are very pleased with the end result of the negotiations. I had an opportunity to share the initiative results with the Peak Design Leadership Team and it was a smashing success."



Mike Winchell
VP of Finance
Peak Design

PEAK DESIGN OVERVIEW

Founded in 2011, Peak Design is the leader in carry gear. Their R&D and design focus to solve everyday carry challenges with products that include camera straps/clips, travel bags and tripods.

Their distribution channels include D2C and retail, with six global distribution centers: US, Canada, UK, Netherlands, Hong Kong and Australia. Year-over-year growth for the past three years is 55%.

CHALLENGES

In addition to the cost of their Third Party Warehousing & Fulfillment support rising, Peak Design was unclear if they were receiving best-in-class pricing and unsure of their alternative, global third-party options.

They were experiencing inventory management, turn time, and order accuracy issues that impacted their customers' experience. Attempts to resolve issues on their own only delivered minimal improvements.

Peak Design had no contractual service level agreements (SLA's) in place and were experiencing significant growing pains.

SOLUTION: RETAINED SHIPWARE FOR THIRD PARTY WAREHOUSING & FULFILLMENT PROCUREMENT

Shipware began by performing an **assessment of Peak Design's current state**, becoming educated on products, values, distribution strategy and their Third Party Warehousing & Fulfillment relationship and challenges.

We reviewed operational issues and determining the root cause, evaluated contract terms and pricing against our industry benchmarks, and reviewed historical, and anticipated, growth rates and drivers. Post-assessment, we **defined priorities**:

- Eliminate service issues
- Reduce costs
- Improve the customer experience
- Develop and implement SLA's.



OPTIMIZATION & EXECUTION

Shipware then **developed the optimization strategy**. First, came the decision to renegotiate with the current provider or execute an RFP. In Peak Design's case, RFP was the selected course of action. We identified target pricing and SLA requirements as well as a shortlist of potential global Third Party Warehousing & Fulfillment partners. We developed Peak Design's RFP requirements, and an evaluation process and criteria was defined.

The final step was **executing the optimization strategy**. Shipware produced, issued and managed the RFP then evaluated responses and options, selecting the finalists that best met Peak Design's needs.

Shipware and Peak Design then negotiated the MSA - pricing, terms and SLA's - executed the MSA, and implemented the final solution.

RESULTS: SHIPWARE DELIVERED SIGNIFICANT COST SAVINGS OF OVER \$300K

In the end, the decision was made to **renegotiate a new MSA with the incumbent**. Key considerations were support knowledge, current infrastructure, systems technology, existing integrations and pricing.

Peak Design **moved 2 of their DC locations for better service**. A short term investment that's resulting in a better customer support solution and significant ROI. They saw freight and tax reductions while workflow efficiencies addressed service issues and improved the overall customer experience.

Furthermore, Shipware **established and memorialized SLA's**. We set terms regarding **inventory accuracy, order turn times, and order accuracy**. We established a reporting protocol and implemented a formal SLA review process. Contractual penalties for non-conformance we put in place. **Overall, the engagement was a "smashing success"!**

Questions?

inquiries@shipware.com
www.shipware.com
858.879.2020